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August 3, 1992

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Ms. Donna Searcy, Secretary
Federal Communications Commission
1919 M Street, N.W.
Washington, D.C. 20554

Re: NARUC'S JULY 28, 1992 RESOLUTION CONCERNING:

In the Matter of Billed Party Preference for 0+
InterLATA Calls (CC Docket No. 92-77)

Dear Ms. Searcy:

On May 5, 1992, the FCC issued a Notice of Proposed Rulemaking tentatively concluding that Billed Party Preference (BPP) is in the public interest and asking for additional comments on the costs and benefits of BPP and how such a system could be implemented.

In July 1989, NARUC passed a resolution which supported BPP in concept and suggested that payphone providers not be allowed to override BPP if BPP were implemented. Following the FCC's May NPRM, at its July 1992 meetings, NARUC adopted another resolution designed to respond directly to the FCC's most recent inquiry.

Accordingly, I am, pursuant to 47 C.F.R. Section 1.45 (1991), submitting this letter for the record. I have attached a copy of the July Resolution Concerning Billed Party Preference for your information and use.

There are a few aspects of the resolution that I would like to call to the Commission's attention.

According, to the Resolution, if BPP is implemented, there are numerous administrative details to resolve, such as:

- o methods for end users to presubscribe to OSPs;

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*Member of the Executive Committee of the Association.

- o policies for billing for calls placed on foreign-used calling cards and for calls billed to an end user in a foreign country;
- o the manner to route calls when a preselected OSP does not serve the geographic area in which the call is being placed;
- o mechanisms for payphone operator compensation; and
- o consider that LEC costs of interstate BPP be kept separate (as with equal access charges) and recovered through interstate charges to OSPs.

The resolution makes clear that NARUC continues to support in principle the idea of nationwide BPP with simple and uniform dialing requirements, offered by all LECs and available for all 0+ interLATA calls, but reserves judgment on the specifics of implementation at this time.

Because of, inter alia, the current state of the record, NARUC urges the FCC to initiate a Further Notice of Proposed Rulemaking which:

- o Examines how the FCC should work with the states to coordinate federal and state policies;
- o Examines the issues and specific policy proposals contained in its July 1992 resolution and this letter;
- o Makes specific rule proposals; and
- o Adequately addresses the issues of the mechanics of and costs of implementation and recovery of costs.

The Resolution also makes clear that NARUC believes that

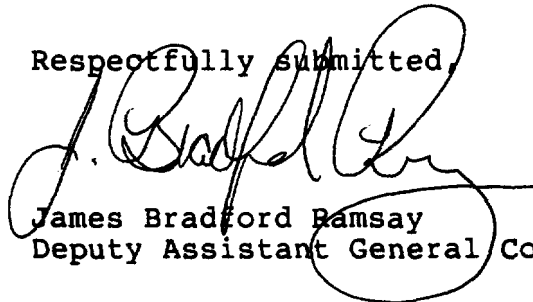
- o Access code dialing should continue to be an available option and not be completely replaced by BPP;
- o All reasonable measures should be taken to prevent fraud with BPP; and
- o The FCC should require payphone owners to enable their "smart" payphones to handle BPP within a reasonable time of the release of any FCC order adopting interstate BPP.

Ms. Donna Searcy, Secretary
Federal Communications Commission
NARUC'S AUGUST 3, 1992 CORRESPONDENCE

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NARUC respectfully requests that the Commission carefully examine and implement the proposals described in this letter.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "J. Bradford Ramsay", is written over the typed name and title. The signature is fluid and cursive, with a large loop at the end.

James Bradford Ramsay
Deputy Assistant General Counsel

**NARUC'S JULY 1992
RESOLUTION REGARDING BILLED PARTY PREFERENCE**

WHEREAS, the Federal Communications Commission (FCC) is considering implementing Billed Party Preference (BPP), a method for end users to access an operator service provider (OSP) that they would preselect for 0+ interLATA calls; and

WHEREAS, an end user would be able to preselect an OSP different from the end user's presubscribed 1+ interLATA interexchange carrier; and

WHEREAS, at present, end users making 0+ interLATA calls find it necessary, in order to reach their OSP of choice, either to dial access codes all the time or determine in each instance whether an access code is necessary and then dial it if it is; and

WHEREAS, BPP would help alleviate end user confusion over access codes, or ways to access their chosen OSP, and BPP could help lessen the instances where the OSP presubscribed to a payphone prohibits an end user from using his/her chosen OSP; and

WHEREAS, even with BPP, some end users may prefer to continue to dial access codes; and

WHEREAS, the FCC's current Notice of Proposed Rulemaking (NPRM) has estimated the cost for BPP systems to be as low as \$50 million to as high as \$560 million and the FCC has sought further comment on the costs of establishing BPP; and

WHEREAS, the National Association of Regulatory Utility Commissioners (NARUC) adopted a resolution in July 1989 which supported BPP in concept and supported not allowing payphone providers to override BPP if BPP were implemented; and

WHEREAS, the FCC NPRM does not contain proposed rules and appears to contemplate FCC rules for all interLATA calls, including intrastate calls; and

WHEREAS, the FCC does not have jurisdiction over intrastate billed party preference; and

WHEREAS, if BPP is implemented, there are numerous administrative details to resolve, such as:

- o methods for end users to presubscribe to OSPs;
- o policies for billing for calls placed on foreign-used calling cards and for calls billed to an end user in a foreign country;

- o the manner to route calls when a preselected OSP does not serve the geographic area in which the call is being placed; and
- o consider a mechanism for payphone operator compensation; and
- o consider that LEC costs of interstate BPP be kept separate (as they do equal access charges) and recovered through interstate charges to OSPs; and therefore be it

RESOLVED, that the NARUC, assembled at its 1992 Summer Meeting in Seattle, Washington, supports in principle nationwide BPP with simple and uniform dialing requirements, offered by all local exchange carriers (LECs) and available for all 0+ interLATA calls, but reserves judgment on the specifics of implementation at this time; and be it further

RESOLVED, that the FCC should initiate a Further Notice of Proposed Rulemaking that would: (1) consider how the FCC would work with the states to coordinate federal and state policies; (2) consider the specific policy proposals contained in this resolution; and (3) would make specific rule proposals; (4) adequately address the issues of the mechanics of and costs of implementation and recovery of costs; and be it further

RESOLVED, that access code dialing should continue to be an available option and not be completely replaced by BPP; and be it further

RESOLVED, that the FCC should require payphone owners to enable their "smart" payphones to handle BPP within a reasonable time of the release of a FCC order adopting interstate BPP; and be it further

RESOLVED, that all reasonable measures should be taken to prevent fraud with BPP; and be it further

RESOLVED, the NARUC General Counsel shall file comments and other documents supporting the policies of this resolution in the appropriate forums.

Sponsored by the Committee on Communications
Adopted July 28, 1992